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SUBJECT: UNRWA'S FEBRAURY 2009 EXTRAORDINARY SESSION OF THE ADVISORY COMMISSION

REF(S):

1. (SBU) The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) convened an Extraordinary Session of the Advisory Commission in Amman, Jordan on February 17. UNRWA underlined its dire financial situation and provided an update on its operations in Gaza. UNRWA anticipates a 2009 budget shortfall of \$52 million, which will lead to cuts in its regular operations if additional contributions are not received. Based on current projections, shortfalls are expected to grow to \$88 million in 2010 and \$116 million in 2011. The Gaza crisis has heightened UNRWA's urgent need for additional funding, as it expects to expand programs in Gaza. End Summary.

Opening Remarks

2. (SBU) In his opening address, Chairperson of the Advisory Commission and Norwegian Representative to the PA Tor Wennesland complimented UNRWA's exceptional performance in Gaza, noting that it "redefined public perceptions of the Agency." He expected demand for UNRWA's services would increase and urged donors to respond positively to the budget deficit, which threatens UNRWA's ability to provide basic services.

3. (SBU) The Vice Chairperson and Egyptian Ambassador Omar Abu Al-Ata noted that this extraordinary Advisory Commission session came at a critical juncture for the Palestinian people. He spoke about the Egyptian efforts to mediate and implement a Gaza cease fire and to host the March 2 Gaza reconstruction conference in Sharm El-Sheikh. Al-Ata stressed that UNRWA's participation in the conference will be critical. He urged the international community to meet its obligations towards UNRWA and noted that Egypt will continue to support UNRWA's efforts to obtain additional international UN staff positions.

4. (SBU) In her opening address, UNRWA Commissioner General Karen AbuZayd noted that the war in Gaza was destructive and tragic, but its aftermath provides an opportunity to work for a lasting peace. AbuZayd maintained that UNRWA installations sustained serious damages during the conflict and that a UN Board of Inquiry headed by Ian Martin will investigate and report on the circumstances surrounding the incidents affecting UNRWA and other UN agencies. She called upon the international community to restore a sense of normalcy to Gaza by opening the crossings. AbuZayd thanked donors for their support to UNRWA's Quick Response Plan, but emphasized the urgent need for additional support to UNRWA's regular budget. She noted that the Agency has reached "a moment of unprecedented financial challenge" with an expected budget shortfall in 2009 of \$52 million.

UNRWA's financial situation

15. (SBU) UNRWA Deputy Commissioner General Filippo Grandi briefed donors on the Agency's poor financial situation. He said UNRWA expects severe shortfalls in the General Fund (the regular budget). In 2009, UNRWA expects a \$52 million deficit in meeting minimum requirements, a figure that does not include the \$72 million shortfall in so-called unfunded requirements. (Note: unfunded requirements include infrastructure improvements, training for teachers and staff, and other activities that would enhance UNRWA's overall effectiveness.) He projected the 2010 shortfall to be \$88 million and the 2011 shortfall to be \$116 million.

16. (SBU) Grandi also outlined the current funding situation for UNRWA's emergency appeals. He stated that UNRWA had received \$142 million towards the \$345 million Quick Response Plan for Gaza, \$14 million towards UNRWA's \$85 million emergency appeal for the West Bank; \$9.3 million for its \$42 million Relief and Early Recovery Appeal in Lebanon; and \$42 million for its \$282 million, three-year construction plan for Nahr el-Bared camp in Lebanon.

17. (SBU) Grandi noted that UNRWA has implemented austerity measures, cutting back on travel and training and has notified employees that they are unlikely to receive salary increases this year commensurate with host government pay to civil servants. Grandi emphasized UNRWA's efforts to improve overall effectiveness through a three-year reform process and urged donors to do their part by keeping pace with the needs. He thanked the AdCom's "special guests" (from Kuwait, Bahrain, Qatar, and Saudi Arabia) for responding to Gaza needs and asked them to consider expanding support to the General Fund.

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18. (SBU) UNRWA/Gaza Deputy Director Aidan O'Leary noted that the blockade imposed on Gaza since 2007 has radically altered the socio-economic situation, made even worse by the recent conflict and ongoing access restrictions. With unemployment currently the highest in the world, aid dependency has exceeded 80 percent. O'Leary said that, even before the crisis started in December 2008, UNRWA had halted food distributions to 750,000 beneficiaries due to shortages of food items and packaging materials in Gaza.

19. (SBU) Once the crisis started, O'Leary said, UNRWA quickly mobilized to respond; the Agency provided direct logistics support to the Ministry of Health to palletize and ship medical supplies and provided fuel out of UNRWA's reserves to run hospital generators. Most of UNRWA's health clinics remained open throughout the crisis with the normal caseload of 10,000 consultations per day. UNRWA also opened its food distribution centers once shipments resumed on January 1, after which 15,000 beneficiaries received food rations every day. At the height of the conflict, UNRWA assisted 50,000 displaced persons in 51 of its 91 designated emergency shelters. UNRWA staff continued their duties despite sustaining serious losses in life and assets (14 UNRWA staff and contract workers were killed, and 57 facilities damaged).

110. (SBU) O'Leary said that 2,800 refugee homes were completely destroyed in the Gaza conflict and 20,000 homes remain in need of repair. UNRWA is now providing food assistance to 900,000 registered refugees, although this number will decrease to 750,000 once PA salaries are paid. Roughly 140,000 persons have applied, and are on the waiting list for the Job Creation Program. O'Leary stressed that the nine-month Quick Response Plan can be achieved if access to Gaza is eased. He urged donors to consider the impact of the closure on every-day life. He reiterated that 60 percent of UNRWA students have no textbooks because paper is currently prohibited. (Note: John Ging told RefCoord February 26 that COGAT had approved shipments of paper for textbooks. End Note.)

Donors Remarks

111. (SBU) All donors paid tribute to UNRWA staff members for their

exceptional work during the Gaza crisis, stressing that UNRWA's efforts made survival possible for its beneficiaries. They reiterated support for UNRWA's Quick Response Plan and affirmed commitment to meet their financial obligations to UNRWA. The EC announced an additional contribution of 41 million Euros. Norway appealed to the U.S., European Union, and Arab countries to follow the example of the Nordic countries and increase contributions to UNRWA's regular budget. Sweden highlighted that they increased their contribution by 21 percent and that they will support UNRWA's attempts to secure funding for more permanent UN staff posts. Ireland and Finland were welcomed as new members of the Advisory Commission.

Host Countries Remarks

¶12. (SBU) Host government representatives from Lebanon, Syria, and Jordan also praised UNRWA staff for their dedication and heroism during the Gaza conflict and for UNRWA's critical humanitarian role. They demanded that Israel be held accountable for the "crimes they committed" against civilians and UNRWA facilities. Host government representatives also demanded the opening of all Gaza crossings and the resumption of peace negotiations.

Walles